GOVERNMENT OF ANDHRA PRADESH

**ABSTRACT**

AHDD&F Department – Establishment of Custom Hiring Centers (CHC) – Implementation of Custom Hiring Centers (CHC) in Livestock Sector – Operative guidelines – Approved - Orders – Issued.

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ANIMAL HUSBANDRY, DAIRY DEVELOPMENT & FISHERIES (AH.I) DEPARTMENT

G.O.MS.No. 4 Dated: 08-01-2021

Read:-

From the Director, Animal Husbandry Department, e-file No.AHF02-47031/7/ 2020-RBK(1311521), Dt:07.01.2021.

** * **

**ORDER:**

In the circumstances stated by the Director, Animal Husbandry Department, Andhra Pradesh, Vijayawada in the reference read above, Government after careful examination, hereby accord permission to implement the Custom Hiring Centers (CHC) activity in the State, under Agriculture Infrastructure Fund with interest subvention subject to approval by the SLSC for the proposed component of CHC. The approved operative guidelines for implementation of Custom Hiring Centers (CHC) in Livestock sector are appended to this order as Annexure.

2. The Director of Animal Husbandry, Andhra Pradesh, Vijayawada shall take further necessary action accordingly as per rules in force.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

POONAM MALAKONDAIAH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To
The Director of Animal Husbandry, Andhra Pradesh, Vijayawada.
All the District Collectors in the State.
All the Joint Directors(Animal Husbandry) in the State.
Copy to:-
PS to Additional Secretary to Chief Minister, A.P. Secretariat.
PS to Minister(AHDD&F), A.P. Secretariat.
PS to Special Chief Secretary to Government, AHDD&F Department, A.P. Secretariat.
PS to Special Chief Secretary to Government, A& C Department, A.P. Secretariat.
SF/SC

//FORWARDED::BY::ORDER//

SECTION OFFICER

(Annexure for P.T.O)

ANNEXURE

(G.O.Ms.No.4, AHDD&F(AH.I) DEPARTMENT, Dt:08-01-2021)

Operative guidelines for implementation of Custom Hiring Centers (CHC) in Livestock sector in the State

Objectives of CHC:

I. To make available various farm machinery / equipments to small and marginal farmers.
II. To reduce the adverse economies that scale up due to high cost of individual ownership.
III. To improve mechanization in places of low farm power availability.
IV. To provide hiring services for various agricultural machinery/implements applied for different operations in livestock farm operations.
V. To expand mechanized activities in large areas during cropping season in the farms especially in small and marginal holdings.
VI. To provide hiring services for various high value fodder crop specific machines applied for different field operations.

ADVANTAGES OF CUSTOM HIRING CENTERS:

i. Provides access to small and marginal farmers to costly farm machinery
ii. Facilitates timeliness in livestock related operations and efficient use of inputs.
iii. Promotes adoption of climate resilient practices and technologies by farmers because of availability of appropriate machines at reasonable hiring charges.
iv. Reduces drudgery-Increase in efficiency.
v. Facilitates crop residue recycling and prevents burning of residues
vi. Reduction in cost of feeding inputs.
vii. Provides work opportunities to skilled labour and small artisans.

Proposed Strategy:

To achieve the above objectives, it is proposed to adopt the following strategies:

Government have launched the Rythu Bharosa Kendras (RBK) at 10641 villages to assist the farmers in providing the agri & allied sector inputs at their Villages. In order to make use of this Institution for the facilitation of CUSTOM HIRING CENTRES (CHC), the following strategy is adopted.

i. Establishment of Custom Hiring Centers (CHC) with location and need specific machinery and implements at divisional Head quarter Villages where Rythu Bharosa Kendras (RBK) are located.
ii. Provision of financial assistance to group of small and marginal farmers in the village to establish CHCs and also help in interacting with Bankers to extend credit to establish CHCs in villages.
iii. Promoting ownership of certain agricultural machinery & equipments as per norms of assistance stipulated in these guidelines.

IMPLEMENTATION:

SELECTION OF BENEFICIARIES:

The beneficiaries includes JLG/SHG/FPO/Trust/ NGOs and others
The beneficiaries shall be selected by the district level committee which comprises of

i. Joint Collector (RBK) – Chairman
ii. Joint Director (AH) - Member Secretary
iii. Lead District Manager – Member
iv. AGM NABARD – Member
v. CEO, DCCB – Member

Roles & Responsibilities of DLC :

- DLC will be responsible for carrying forward the objectives of the Scheme and as per directions stipulated by the government.
- Identify JLG/SHG/FPO/Trust/ NGOs and others to establish Custom Hiring Centers in villages.
- Facilitate tie up with the commercial bank/DCCBs for credit requirements to the groups.
- Utilize online application software for the entire process of identification and selection of beneficiary, processing of applications and disbursement of financial assistance after ensuring the proof of procurement of equipment / inputs as per provisions and norms.
- Make efforts for direct transfer of financial assistance on the basis Bank Loans/ Aadhar Nos.
- Monitor & display details of approved programme, all activities undertaken and name of beneficiaries, expenditure incurred etc. at the RBK.
- Study the impact on production and productivity after the implementation of the programmes and forward the reports to the State nodal Department
- Allocation of funds shall be intimated by the State Nodal department to the district.

Establishment of Custom Hiring Centers at Village Level

- Only Groups can establish CHC in the village.
- The Group has to apply on line through ap.ahdonline.gov.in portal designed and developed by APT Online.
- If there is no farmer group available in the village, a new group with at least five (5) or six (6) members can form a JLG and can apply.
- Joint Director (AH) of the district will accord permission to JLG/SHG/FPO/Trust/ NGOs and others in the village which shall operate the CHC based on the recommendations of the Village level Advisory Committee comprising of Veterinary assistant surgeon-VAS, Animal Husbandry assistant - AHA , 2 Farmer representatives nominated by Assistant Director - AH and Bank representative of commercial bank/DCCB.

Identification / Finalization of JLG:

1. The Livestock ownership of the members of the Group,
2. Aptitude of the group for CHC establishment.
3. Satisfactory functioning of the Group.
4. Mix of members in the group (heterogeneous).
5. Ability to take up repairs and maintenance efficiently

Group Approach:

- The approved Groups hall establish and operate the CHC in coordination with the RBK in the village.
- The CHC in the village shall be an extended arm of RBK in providing machinery inputs on hiring basis to the villagers.
- The CHC established in the village should abide by the rules stipulated from time to time by the Department of Animal husbandry.
- The Hiring charges may be finalised within the village in the presence of Veterinary assistant Surgeon - VAS, Banker, farmer representative and Agriculture officer of the Mandal, with prevailing rates and be communicated to Joint Director (AH).
- The prices finalized for different operations should be displayed in the Display board placed at RBK.

The Groups should accept to follow the conditions:

- to keep the machinery under a protected shed.
- to hire the machinery as per the rates displayed in the RBK
- the Group has to follow the instructions given by Department of Animal Husbandry from time to time.

- the repairs and maintenance of machinery in the CHC have to be taken up by the Group only.
- the Group can finalise a method, for hiring the machinery by collecting deposit for handing over the equipment to the hirer.
- the group can provide the service of operations.(Faas- Farming as a service)
- the group is not allowed to sell/mortgage or transfer the equipment till the end of the bank loan period of 6 years.

Procurement of machinery to CHC

- The group permitted by the Department, has to only establish the CHC in close proximity to RBK in the village by following the norms stipulated.
- The group which is permitted will get subsidy assistance of 40% of the Project cost.
- The group has to mandatorily avail the bank loan towards payment of Non-subsidy / Group's contribution to establish CHC, as per commercial bank/DCCB norms. Subsidy shall be released to the bank account of the supplier by the Department.
- The group can select the implements that can be kept in CHC for Hire. Area & need specific equipment /machinery tested and available with the empanelled manufacturers with APAGROS will be offered on hire at CHC in the village.

Non Negotiable in the Farm Mechanization Scheme

- The Group should avail financial assistance to procure the machinery.
- The Assets should have the GPS enabled devices (wherever applicable)/geo tagged for all implements.
- Complete freedom to group will be available for selection of agricultural machinery and equipment.
- The Group has to register all the equipments in the CHC Mobile & Kiosk application to enable farmers to book the equipments.

SERVICE FACILITIES

It is important to ensure availability of repair and service facilities in close proximity, so that operation & maintenance issues are addressed. The necessary budget provisions shall be included in the unit cost along with AMC.

Monitoring:

i. All the Machinery supplied under CHCs will be checked thoroughly and at random for the quality being maintained by manufacturers. Only Tested implements empanelled with APAGROs and its designated Institutes are eligible under CHCs supplies.
ii. The established machinery (CHC) at villages will be provided technical assistance and training by manufacturing firms.
iii. The CHCs, hubs established in the state will be supervised by the Joint Director of Animal Husbandry / Deputy Director Animal Husbandry/ Asst Director Animal Husbandry / VAS for its operation.
iv. The Hiring Charges range will be finalized by Village level committee having VAS, AHA, 2 Farmer representatives nominated by ADAH, Bank representative at the RBK for each and every village for different operations in the Village.

Training & Exposure visits:

i. In order to enrich the knowledge base of the farmers and members of the Groups who have established the CHCs, trainings will be arranged through appropriate Agency
ii. Exposure visits on the machinery use and operations of different machineries in neighboring states/Districts will be arranged from administrative and contingency funds.

PENALTIES FOR VIOLATIONS AND NON PERFORMANCE

If the Custom Hiring Centre do not run properly (failure or closing of the centre), the concerned applicant should refund/ remit full Government share along with interest amount as per prevailing bank rates. However force majeure will be considered. Penalties also include forfeiting of bank guarantee, black listing and legal action.

Initially the CHCs may be implemented at divisional level as pilot project in all the districts of the state and can be extended to mandal level in a phased manner as mentioned above.

Proposed set of machinery for one CHC along with Budget Requirements:

| Sl. No | Unit | Approximate Cost per unit (Rs.) | No.of units | Total amount in (Rs.) |
|---|---|---|---|---|
| 1 | Brush Cutter | 10000 | 4 | 40000 |
| 2 | Chaff Cutter | 30000 | 2 | 60000 |
| 3 | Chaff Cutter & Pulverizer | 40000 | 2 | 80000 |
| 4 | Paddy Straw Baler | 285000 | 2 | 570000 |
| 5 | Mini Feed Mixing Plant | 150000 | 2 | 300000 |
| 6 | Mini Silage bale making unit | 140000 | 2 | 280000 |
| 7 | Cow dung log making | 30000 | 4 | 120000 |
| 8 | Solar/ Electrical Pest repellents | 5000 | 4 | 20000 |
| Total | | | | 14,70,000 |

Approximate cost for each CHC - 14, 70,000/-

FINANCIAL ASSISTANCE:

| Sno | Budget distribution | Percentage of assistance | Total budget in Rupees |
|---|---|---|---|
| *1* | Support from Government RKVY-2018-19 | 40% | 5,88,000 |
| *2* | Loan from Banks @3% interest subvention under Agri Infrastructure Fund | 50% | 7,35,000 |
| *3* | Beneficiary contribution | 10% | 1,47,000 |
| | | Grand total | 14,70,000 |

Approximate Budgetary support from AHD for establishing 45 CHC's –2,64,60,000 (2.65) crores, which shall be met from RKVY funds.

POONAM MALAKONDAIAH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)